

# AVANA's SBA 504 Loan Program Overview



## Fixed-Rate, High LTV (up to 90%), Long-Term CRE loans for Owner Occupied properties to support small businesses

Partner with SBA 504 experts who've closed over \$5B in deals. We guide entrepreneurs and brokers through every step—eligibility, structuring, underwriting, and closing—so you move from application to funding with confidence.

Loan Terms	AVANA Companies	SBA Debenture
Up to \$20 million total project size		
Loan Size	Up to \$13 million Up to 65% LTV	Up to \$5.5 million Up to 90% LTV
Interest Rates	5-year CMT + 2.50% to 4.00%, fixed for 5 years Rate resets at end of year 5	25-year fixed rate, set monthly by SBA (typically 10 year Treasury + 2.75%) ^
Loan Term	10 years	25 years
Amortization	Amortized over 25 years	
Payment Structure	Monthly principal and interest	
Loan Fees	1.0% to 2.0%	2.65% *
Prepayment	Hotels: 5% to 1% declining penalty. Others: No penalty	Declining prepayment penalty

Note: ^ Refer to [avanacompanies.com/sba-504-loans/](http://avanacompanies.com/sba-504-loans/) for latest rates; \*\* Subject to lender conditions;  
\* Includes SBA guarantee, CDC processing, funding & underwriting fees, financed into the SBA debenture

### Credit Guidelines

Max Loan-to-Value (LTV)	<ul style="list-style-type: none"><li>Up to 90% for Generic property types</li><li>Up to 85% for Special use property types</li></ul>
Minimum Debt Service Coverage Ratio (DSCR)	<ul style="list-style-type: none"><li>1.20x for most property types</li><li>1.25x for franchised restaurants and hotels</li></ul>
Minimum FICO Score	• 680
Personal Guarantees	• Full personal guarantees for all >20% owners

### Target Asset Classes

- Industrial
- Retail
- Self-Storage
- Medical Office
- Manufacturing facilities
- Franchised Restaurant
- Franchised Hotels

### Use of Proceeds

Eligible loan purposes include:

- Property Acquisition
- Refinance Company Debt

## Pre-screen Checklist to Issue an LOI

To streamline the issuance of a Letter of Intent (LOI), please provide the following:

### 1. Property Information:

- Collateral property address
- Property description

### 2. Loan Request Summary and Requested Loan Terms (offering memorandum, broker's summary, etc.):

- Requested Loan Amount
- Clearly describe the reason for the loan (e.g. expansion, refinance, acquisition)
- Please go beyond general terms such as "to buy a building"

### 3. Ownership and Guarantor Information:

- List all individuals with 20% or more ownership in the borrowing entity and all proposed loan guarantors, including their percentage ownership.

### 4. Business/Property Financial Information:

- 3 years of Tax Returns or historical financial statements (P&L and Balance Sheet)
- T-12 financial statements dated within 90 days (P&L and Balance Sheet)
- Debt schedule
- Current rent roll (if applicable)
- STR reports (for hotels)

### 5. Personal Information (for each guarantor):

- Current and complete PFS including Schedule of Real Estate
- Debt schedule
- Resume/Bio
- 3 years of Personal Tax Returns

### 6. Refinance information (if applicable):

- Motivation for refinance
- Loan balance and loan status with current lender
- Prepayment penalty info
- Cost basis of property (cost + improvements)
- Property purchase date
- If there is cash out, what will it be used for?

### 7. If Property Improvements are involved:

- Description and budget for any planned improvements

## Collateral Requirements

- 1st Mortgage (Lender)
- 2nd Mortgage via SBA debenture
- Assignment of Rents
- Hazard Insurance

Partner with AVANA to secure long-term, fixed-rate, high LTV (up to 90%) SBA 504 financing backed by our access to capital.

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**Christyna Lane**  
Vice President, Business Development  
[christyna.lane@avanacompanies.com](mailto:christyna.lane@avanacompanies.com)  
310.601.0880



**Viktor Hristov**  
Vice President, Business Development  
[viktor.hristov@avanacompanies.com](mailto:viktor.hristov@avanacompanies.com)  
415.867.2432



**Robert Aponte**  
Vice President, Business Development  
[robert.aponte@avanacompanies.com](mailto:robert.aponte@avanacompanies.com)  
925.334.6404



**Sanat Patel**  
Co-Founder and Chief Lending Officer  
[sanat.patel@avanacompanies.com](mailto:sanat.patel@avanacompanies.com)  
213.700.7775